



November 6, 1961
NUMBER 5105.22

GC, DoD

Department of Defense Directive

SUBJECT Defense Supply Agency (DSA)

- Refs.: (a) DoD Inst. 4115.1, "DoD Coordinated Procurement Programs, Commodity Assignments"
(b) DoD Dir. 5154.14, "Establishment of the Armed Forces Supply Support Center"
(c) DoD Dir. 5160.11, "Single Manager Assignment for Subsistence"
(d) DoD Dir. 5160.12, "Policies for Implementation of Single Manager Assignments"
(e) DoD Dir. 5160.14, "Single Manager Service Assignment for Traffic Management Within the United States"
(f) DoD Dir. 5160.15, "Single Manager Assignment for Clothing-Textiles"
(g) DoD Dir. 5160.16, "Single Manager Assignment for Medical Materiel"
(h) DoD Dir. 5160.18, "Single Manager Assignment for Petroleum"
(i) DoD Inst. 5160.28, "Armed Forces Surplus Property Bidders Registration and Sales Information Office"
(j) DoD Inst. 5160.29, "Establishment and Operation of Consolidated Surplus Sales Offices"
(k) DoD Dir. 5160.30, "Single Manager Assignment for Military General Supplies"
(l) DoD Dir. 5160.31, "Single Manager Assignment for Military Industrial Supplies"
(m) DoD Dir. 5160.35, "Single Manager Assignment for Military Automotive Supplies"
(n) DoD Dir. 5160.36, "Single Manager Assignment for Military Construction Supplies"
(o) DoD Dir. 7420.1, "Regulations Governing Stock Fund Operations"

I. GENERAL

Pursuant to authority vested in the Secretary of Defense and the provisions of the National Security Act of 1947, as amended, a Defense Supply Agency (DSA) is hereby established as an Agency of the Department of Defense (DoD) under the direction,

authority, and control of the Secretary of Defense and in accordance with DoD policies, directives, and instructions.

II. ORGANIZATION

DSA shall consist of:

- A. A Director, a Deputy Director, a headquarters establishment and such subordinate units, facilities, and activities as are herein or hereafter specifically assigned or attached to the Agency by the Secretary of Defense.
- B. Such subordinate units as may be established by the Director, DSA, for the accomplishment of DSA's mission.
- C. The chain of command shall run from the Secretary of Defense to the Director, DSA.

III. SCOPE AND DEFINITIONS

- A. DSA operations will be conducted within the United States, excluding Alaska and Hawaii except as specifically extended by the Secretary of Defense.
- B. Common supplies, as used in this Directive, are those items of supply which are determined, through the application of approved DoD criteria, to be susceptible of integrated management by a single agency for all of the military Services.
- C. Common services, as used in this Directive, are those services directly associated with the supply management function.

IV. DEFENSE SUPPLY COUNCIL

- A. To advise and assist the Secretary of Defense in the direction and control of DSA, a Defense Supply Council (DSC) is hereby established with membership as follows:
1. The principal members shall be the Deputy Secretary of Defense, as Chairman, the Secretaries of the three military departments, the Chairman, Joint Chiefs of Staff, and the Assistant Secretary of Defense (Installations and Logistics).
 2. The Materiel Secretaries of the three military departments and the Director for Logistics (J-4) of the Joint Staff shall be alternates for their respective principals.
- B. The Council will also be available for consultation with the Director on such matters as he or any member may bring before it. It will meet as regularly as necessary, but not less than quarterly.

V. RESPONSIBILITIES

DSA, under the direction and operational control of the Director, shall be responsible for:

- A. Providing the most effective and economical support of common supplies and services to the military departments and other DoD components.
- B. The organization, direction, management, administration, and control of the supply and service functions heretofore assigned to the activities specified in Inclosure 1.
- C. The organization, direction, management, administration and control of electrical and electronics materiel assigned to DSA by the Secretary of Defense.

- ✓ D. The organization, direction, management, administration, and control of such other commodities and services as may be directed by the Secretary of Defense.
- ✓ E. A wholesale distribution system for assigned supplies.
- F. Performing or arranging for material inspection of all assigned supplies.
- 5 G. Administration and supervision of the DoD Coordinated Procurement Programs, the Federal Catalog Program, the Defense Standardization Program, the Defense Materiel Utilization Program, the Defense Surplus Personal Property Disposal Program, and such other programs as may be directed by the Secretary of Defense.
- 6 H. Systems analysis and design, procedural development, and maintenance for assigned supply and service systems and as authorized by the Secretary of Defense.

VI. FUNCTIONS

Under its Director, DSA will perform the following functions:

- A. Coordinated Procurement
 - 1. Develop and maintain criteria and procedures for procurement assignments and a current list of items under assignment.
 - 2. Recommend to the Secretary of Defense new assignments and changes to existing assignments.
 - 3. Review and evaluate the operation of the DoD Coordinated Procurement Program, and make changes as required to improve the effectiveness of operations.

B. Cataloging

1. Administer the Federal Catalog Program.
2. Prepare and publish catalog data and insure the exclusive use of Federal Catalog data.
3. Operate as the single submitting activity in the Federal Catalog System for all items assigned to DSA.
4. Prepare, publish, distribute, and maintain the DoD Sections of the Federal Supply Catalog encompassing all items in Federal Supply Groups and Classes assigned to DSA.
5. Review and evaluate the operation of the Federal Catalog Program and make changes as required to improve the effectiveness of operations.
6. Insure DoD participation and coordination with civil agencies, international agencies, NATO and other friendly foreign governments, and with industry and other nondefense activities on all cataloging matters of mutual interest.

C. Standardization

1. Administer the Defense Standardization Program.
2. Recommend to the Secretary of Defense assignments of responsibility for defense engineering standardization among the military departments and when appropriate other DoD components, monitor studies, and monitor the development of specifications and standards in accordance with approved plans and schedules.

3. Direct item simplification for all items assigned to DSA.
4. Review and evaluate the operation of the Defense Standardization Program and make changes as required to improve the effectiveness of operations.

D. Materiel Utilization

1. Administer and develop the Defense Materiel Utilization Program.
2. Develop systems and procedures for an recommend to the Secretary of Defense assignments of responsibility to the military departments to assure the cross-utilization of assets in order to minimize procurement, stockage, and transportation.
3. Review and evaluate the operation of the Defense Materiel Utilization Program and make changes as required to improve the effectiveness of operations.

E. Systems Analysis and Design

1. Conduct analyses, as authorized by the Secretary of Defense, of the operations of the supply and service systems of the military Services in order to recommend improvements in integrated management techniques.
2. Design and implement improved supply and service systems for the management responsibilities assigned to DSA.
3. Develop plans, systems, and procedures to assure a close and responsive relationship between DSA operations and the war plans

and logistics requirements of the Joint Chiefs of Staff and the military departments.

4. Review and evaluate the operation of the supply and service systems assigned to DSA and make changes as required to improve the effectiveness of operations.

F. Materiel Management (Assigned Items)

1. Item Management Classification:

In coordination with the military Services establish and maintain criteria and procedures for the coding and classification of items to be placed or maintained under integrated management and for resolving item management coding and classification conflicts between the military Services and DSA.

2. Requirements:

- a. Compute replenishment requirements.
- b. Review special program and mobilization materiel requirements received from the military Services and other DoD components.
- c. Compute special program and mobilization materiel requirements when authorized by the Secretary of the military department concerned.
- d. Prepare the DoD requirements forecast for the purposes of procurement, maintenance, distribution, retention, and disposal in accordance with DoD policies and procedures and

the needs of the military departments
and other authorized customers.

3. Procurement:

- a. Account for and control DSA owned property in the hands of contractors and Government manufacturing plants.
- b. Conduct or direct procurement of assigned items and services to meet the needs of the military Services and other authorized customers.
- c. Administer the procurement priorities and allocation authorities as authorized by the ASD(I&L).
- d. Determine which items should be centrally procured and which items should be decentralized to local procurement. The designation or redesignation of items of supply from a local to a central procurement basis, or vice versa, should allow sufficient time for an orderly adjustment of the affected programs by the military Services.

4. Inspection and Quality Control:

Conduct or direct inspection and quality control for assigned items.

5. Mobilization and Industrial Readiness Planning:

Conduct mobilization and industrial readiness planning in assigned areas of responsibility.

6. Storage:

- a. Determine requirements for storage space.

- b. Manage, control, and operate assigned wholesale warehouses and depots.
- c. Arrange for use of storage space and related services and facilities of the DoD, other government agencies, and commercial warehouses as necessary.

7. Inventory Control:

- a. Establish and maintain inventory control over assigned items owned by DSA and prescribe stockage objectives for such inventories.
- b. Prescribe procedures for requisitioning of DSA stocks.
- c. Establish pricing procedures and prices in accordance with reference (o).
- d. Control the distribution, redistribution, or disposition of assigned serviceable and reparable items of supply controlled by DSA or controlled by but excess to the needs of the individual installations of the military Services and other authorized customers.
- e. Institute measures for the use of substitute or interchangeable items in coordination with the using military Services.
- f. Provide for the positioning of general mobilization reserve stocks in such a manner as to insure maximum turnover in peacetime consistent with security in the event of an emergency.

- g. Prescribe effective reporting systems for the activities included in the scope of the DSA responsibilities.
- h. Provide information as requested by the military Services and other authorized customers to determine supply capability, budget, mobilization, or special program requirements.
- i. Establish procedures for direct CONUS support of field and operating forces in Alaska, Hawaii, and outside the United States when mutually agreed upon by DSA and the supported Service.
- j. Participate as a supporting inventory manager in the provisioning processes of the military departments.

8. Research and Development:

- a. Recommend research and development projects to the military departments to improve materials, items, and methods within the commodity jurisdictions assigned, and to promote the elimination of undesirable duplication.
- b. Recommend to the Director of Defense Research and Engineering any new or changed research and development projects considered desirable.

9. Transportation:

Arrange for transportation for initial distribution of stocks from supplier to point of storage, from point of wholesale storage or supplier direct to consumer, and for redistribution between wholesale storage points.

10. Maintenance and Manufacture:

- a. Develop programs, schedules, and technical guidance for the maintenance, manufacture, modification, conversion, or assembly of DSA-owned materiel and items authorized for return from user for repair.
- b. When requested by the using military Services and other DoD components, provide technical manuals for the operation and maintenance of items assigned to DSA.

G. Traffic Management

- 1. Direct, control, and supervise the performance of all functions incident to the effective and economical procurement and use of freight and passenger transportation service from commercial for-hire transportation companies (including rail, highway, air, inland waterway, coastwise, and intercoastal carriers) operating between points in the continental United States. (Reference to coastwise and intercoastal commercial transportation is not intended to affect those responsibilities for ocean carrier functions assigned to MSTTS but has reference to the traffic management authority necessary to determine the proper mode of shipment. Reference to air carriers is not intended to affect those responsibilities for procurement of contract air lift service assigned to MATS.)
- 2. Advise and assist, by the application of adequate cost, rate and traffic data services:
 - a. Procurement agencies in developing the most economical sources of supply;

- b. Production activities in programming the processing of raw materials and semifinished and finished products through Government operated facilities;
 - c. Distribution agencies in programming the position of stocks;
 - d. Site selection authorities in evaluating transportation considerations in the selection of sites for plants and facilities;
 - e. Fiscal agencies in the development and improvement of cost data techniques;
 - f. Appropriate agencies as to the affect of packing and packaging costs on transportation and distribution costs and the utilization of transportation equipment.
- 3. Control and direct the operation of military-owned railway rolling stock registered for interchange service other than that permanently assigned to intra-base or intra-plant operations.
 - 4. Develop and improve the small shipment consolidation programs.
 - 5. Develop loss and damage prevention programs.
 - 6. Develop and improve procedures for facilitating and assuring the control and expeditious movement of traffic.
 - 7. Determine or establish proper freight classification and freight and passenger rates, fares, charges, rules, and regulations for DoD traffic.
 - 8. Negotiate, as necessary, with all for-hire commercial carriers of cargo or passengers

or their rate-making agencies, for the classifications, rates, fares, charges, rules and regulations to carry out the functions assigned in Item 7. above.

9. Establish intransit arrangements with for-hire commercial carriers of cargo to permit the stopping of military shipments short of final destination for various purposes (processing, storage, etc.) without payment of combination of separately established rates to and from the transit point.
10. Maintain constant surveillance of reissued freight and passenger tariffs and of tariff supplements to determine changes made thereby which would affect the cost of moving or the routing of military traffic.
11. Review all for-hire commercial carrier (freight and passenger) dockets and other proposals to determine the extent to which military traffic would be affected and the action required.
12. Recommend to the General Counsel of DoD litigation in the transportation and traffic management areas necessary to protect or promote the interests of the DoD.
13. Prepare billing guides for use by the military departments and other DoD components to assure the proper description of property on shipping documents.
14. Develop and maintain current transportation cost and statistical data necessary to facilitate efficient and effective performance of the functions assigned in Items 7 - 13 above.
15. Maintain tariff files.

16. Obtain and quote rates.
17. Determine the type of service required to move traffic.
18. Arrange with carriers for the transportation equipment required for shipment.
19. Route traffic.
20. Prescribe rules and regulations pertaining to shipping documents (bills of lading, transportation requests, etc.).
21. Prescribe the methods and format for use by the military departments and other DoD components to develop and forecast their transportation requirements by mode or modes (including the assumptions and computations on which they are based), which will assure responsiveness to their individual logistic systems, and evaluate and question, when necessary, the validity of the requirements specified.
22. Develop plans to assure the efficient use and control of military-owned and commercial domestic land transportation resources and capabilities made available to the DoD under mobilization or other emergency conditions.
23. Control the use of and, as directed by the Secretary of Defense, operate military-owned domestic land transportation resources required to supplement the capability of commercial transportation companies when the land transportation resources (and other resources determined by the Secretary of Defense) of commercial transportation companies operating within the United States are inadequate to meet military requirements.

H. Surplus Disposal (Personal Property)

1. Administer the Defense Surplus Personal Property Disposal Program.
2. Represent the DoD in negotiations with other Federal departments and agencies on matters of mutual interest in the disposal of surplus personal property.
3. Monitor reporting systems for DoD world-wide excess, foreign excess, and surplus materiel.
4. Prescribe systems, techniques, and procedures for the preparation of and disposal of surplus personal property including foreign excess property.
5. Direct, manage and operate Consolidated Surplus Sales Offices and the Armed Forces Surplus Property Bidders Registration and Sales Information Office.

VII. AUTHORITY

In performance of assigned responsibilities and functions of the Agency, the Director, DSA, is specifically delegated authority to:

- A. Operate and control the supply and service organizations, activities, and facilities assigned to DSA.
- B. To meet the needs of the military Services and other authorized customers conduct, direct, supervise, or control all procurement activities with respect to property, supplies and services assigned for procurement to DSA in accordance with applicable laws, the Armed Services Procurement Regulation, and other DoD regulations. To the extent that any law or executive order

specifically limits the exercise of such authority to persons at the Secretarial level of a military department, such authority shall be exercised by the ASD(I&L).

- C. Have free and direct access to and communication with all elements of the DoD and other executive departments and agencies as necessary.
- D. Prescribe procedures, standards, and practices for DoD governing the execution of assigned responsibilities and functions.
- E. Obtain information from any component of the DoD which is necessary for the performance of DSA functions.
- F. Direct the consolidation, centralization, or elimination of DSA facilities, operations, and functions in order to achieve maximum efficiency, economy, and effectiveness.
- G. Recommend to the Secretary of Defense the establishment of new DSA facilities or the take over or use of existing facilities of the military departments by DSA.
- H. A delegation of the administrative authorities required by the Director, DSA, to administer and direct the operations of the Agency is contained in Inclosure 2 of this Directive.

VIII. RELATIONSHIPS

- A. In the performance of his functions, the Director, DSA, shall:
 - 1. Consult with the Defense Supply Council to assure a full interchange of plans and programs between DSA and the military departments, the Joint Chiefs of Staff, and OSD, and to provide the DSC with adequate information to evaluate the effectiveness of DSA performance.

Supply and Service Organizations
Included in DSA

(To include subordinate field or regional offices of the listed organizations.)

1. Armed Forces Supply Support Center
2. Military Subsistence Supply Agency
3. Military Traffic Management Agency
4. Military Clothing and Textile Supply Agency
5. Military Medical Supply Agency
6. Military Petroleum Supply Agency
7. Military General Supply Agency
8. Military Industrial Supply Agency
9. Military Automotive Supply Agency
10. Military Construction Supply Agency
11. Armed Forces Surplus Property Bidders
Registration and Sales Information Office
12. Consolidated Surplus Sales Offices

2. Maintain appropriate liaison with other components of the DoD and other agencies of the executive branch for the exchange of information and programs in the field of assigned responsibilities.
 3. Maintain close working relationships with weapon systems program managers of the military departments to insure integration of effort and exchange of technical programs and reference data.
 4. Make use of existing DoD facilities, and services wherever practicable to achieve maximum efficiency and economy.
- B. The military departments and other DoD components shall provide support, within their respective fields of responsibility, to the Director, DSA, to carry out the assigned responsibilities and functions of the Agency.

IX. ADMINISTRATION

- A. The Director shall be appointed by the Secretary of Defense. His appointment shall be for a term of four years.
- B. The Deputy Director shall be appointed by the Secretary of Defense. When the Director and the Deputy Director are both military officers, they will normally be selected from different Services.
- C. The assignment to the Agency and its subordinate units of other personnel, civilian and military, will be in accordance with staffing plans approved by the Secretary of Defense, which will provide an

equitable distribution of positions among the military Services and integrated career opportunities for both military and civilian personnel.

- D. Budgeting, funding, audit, accounting, and reporting activities of DSA will be in accordance with policies and procedures established by the ASD(Comptroller). DSA will utilize appropriated funds to pay for the operating costs of the Agency and will use a stock fund to finance inventories owned by DSA.

X. IMPLEMENTATION

The Director, DSA, will progressively assume assigned responsibilities and functions of the Agency in accordance with a phased schedule to be approved by the Secretary of Defense.

XI. EFFECTIVE DATE

This Directive is effective upon publication. Whenever the DSA assumes responsibility for a function assigned to it under the terms of this Directive, all components of the DoD will review their existing directives, instructions, and regulations for conformity, make necessary changes thereto within 90 days, and notify the General Counsel of the Department of Defense when the changes are completed.


Secretary of Defense

Inclosures - 2

1. Supply and Service Organizations
Included in DSA
2. Delegations of Authority

DELEGATIONS OF AUTHORITY

Pursuant to the authority vested in the Secretary of Defense, the Director, DSA, or, in the absence of the Director, the person acting for him is hereby delegated, subject to the direction, authority, and control of the Secretary of Defense, and in accordance with DoD policies, directives, and instructions, and pertinent OSD regulations, authority as required in the administration and operation of DSA to:

1. Exercise the powers vested in the Secretary of Defense by Section 204 of the National Security Act of 1947, as amended (5 USC 171d), and Section 12 of the Administrative Expenses Act of 1946, as amended (5 USC 22a), pertaining to the employment, direction and general administration of DSA civilian personnel.
2. Fix rates of pay for wage board employees exempted from the Classification Act by Section 202(7) of that Act on the basis of prevailing rates for comparable jobs in the locality where each installation is located. DSA, in fixing such rates, shall follow the wage scheduled established by the local wage board.
3. Establish such advisory committees and employ such part-time advisers as approved by the Secretary of Defense for the performance of DSA functions pursuant to the provisions of 10 USC 173, 5 USC 55a, and the Agreement between the DoD and the Civil Service Commission on employment of experts and consultants, dated July 22, 1959.
4. Administer oaths of office incident to entrance into the Executive Branch of the Federal Government or any other oath required by law in connection with employment therein, in accordance with the provisions of the Act of June 26, 1943 (5 USC 16a) and designate in writing, as may be necessary, officers and employees of DSA to perform this function.

5. Establish a DSA Incentive Awards Board and pay cash awards to and incur necessary expenses for the honorary recognition of civilian employees of the Government whose suggestions, inventions, superior accomplishments, or other personal efforts, including special acts or services, benefit or affect DSA or its subordinate activities in accordance with the provisions of the Act of September 1954 (5 USC 2123) and Civil Service Regulations.

6. In accordance with the provisions of the Act of August 26, 1950, as amended (5 USC 22-1); Executive Order 10450, dated April 27, 1953, as amended; and DoD Directive 5210.7, dated August 12, 1953 (as revised):

a. Designate any position in DSA as a "sensitive" position;

b. Authorize, in case of an emergency, the appointment of a person to a sensitive position in the Agency for a limited period of time for whom a full field investigation or other appropriate investigation, including the National Agency Check, has not been completed; and

c. Authorize the suspension, but not to terminate the services of an employee in the interest of national security in positions within DSA.

7. Clear DSA personnel and such other individuals as may be appropriate for access to classified Defense material and information in accordance with the provisions of DoD Directive 5210.8, dated June 29, 1955 (as revised), "Policy on Investigation and Clearance of Department of Defense Personnel for Access to Classified Defense Information" and of Executive Order 10501, dated November 5, 1953, as amended.

8. Act as agent for the collection and payment of employment taxes imposed by Chapter 21 of the Internal Revenue Code of 1954 and, as such agent, make all determinations and certifications required or provided for under Section 3122 of the Internal Revenue Code of 1954 and Section 205(p)(1) and (2) of the Social Security Act, as amended (42 USC 405(p)(1) and (2)) with respect to DSA employees.

9. Authorize and approve overtime work for DSA civilian officers and employees in accordance with the provisions of Section 25.221 of the Federal Employee Pay Regulations.

10. Authorize and approve:

a. Travel for DSA civilian officers and employees in accordance with the Standardized Government Travel Regulations, as amended (BoB Circular A-7, Revised);

b. Temporary duty travel only for military personnel assigned or detailed to DSA in accordance with Joint Travel Regulations for the Uniformed Services, dated April 1, 1951, as amended;

c. Invitational travel to persons serving without compensation whose consultive, advisory, or other highly specialized technical services are required in a capacity that is directly related to or in connection with DSA activities, pursuant to the provisions of Section 5 of the Administrative Expenses Act of 1946, as amended (5 USC 73b-2).

11. Approve the expenditure of funds available for travel by military personnel assigned or detailed to DSA for expenses incident to attendance at meetings of technical, scientific, professional or other similar organizations in such instances where the approval of the Secretary of Defense or his designee is required by law (5 USC 174a). This authority cannot be redelegated.

12. Develop, establish, and maintain an active and continuing Records Management Program, pursuant to the provisions of Section 506(b) of the Federal Records Act of 1950, (44 USC 396(b)).

13. Establish and use Imprest Funds for making small purchases of material and services other than personal for DSA when it is determined more advantageous and consistent with the best interests of the Government, in accordance with the provisions of DoD Directive 7280.1, dated October 28, 1957, and the Joint Regulation of the General Services Administration -- Treasury Department -- General Accounting Office, entitled "For Small Purchases Utilizing Imprest Funds."

14. Authorize the publication of advertisements, notices, or proposals in newspapers, magazines, or other public periodicals as required for the effective administration and operation of DSA (44 USC 324).

15. a. Establish and maintain appropriate Property Accounts for DSA.

b. Appoint Boards of Survey, approve reports of survey, relieve personal liability, and drop accountability for DSA property contained in the authorized Property Accounts that has been lost, damaged, stolen, destroyed, or otherwise rendered unserviceable, in accordance with applicable laws and regulations.

16. Promulgate the necessary security regulations for the protection of property and places under the jurisdiction of the Director, DSA, pursuant to paragraph III. A. and V. B. of DoD Directive 5200.8, dated August 20, 1954.

17. Establish and maintain, for the functions assigned, an appropriate publications system for the promulgation of common supply and service regulations, instructions, and reference documents, and changes thereto, pursuant to the policies and procedures prescribed in DoD Directive 5025.1, dated March 7, 1961.

18. Enter into interservice support agreements in accordance with DoD Directive 4000.19, dated March 26, 1960.

19. Enter into logistic supply and service agreements with Government departments and agencies other than the DoD.

20. Exercise the authority delegated to the Secretary of Defense by the Administrator of the General Services Administration with respect to the disposal of surplus personal property.

The Director, DSA, may redelegate these authorities, as appropriate, and in writing, except as otherwise specifically indicated above or as otherwise provided by law or regulation.

This delegation of authorities is effective immediately.